1948. **File No.** Fisheries and Industries.

Examined. mkn 7/15/56

Legal **DEPARTMENT** Part ~~IV~~ I

E BRANCH

Subject:—

State Aid To Industries.

Rules 1935 etc —

P.15 E.

File No. Fisheries & Industries

Std. Sectt. Slip 24 B a.

48. Part ~~IV~~ I. 605-E

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I n d u s t r i e s.

State-aid to small - Application for a loan by M/s. Shevades' Camera Works Ltd., Belgaum.

Government of Bombay,
Education and Industries Department,
Resolution No. S.168,
Bombay Castle, 28th February, 1948.

Letter from the Director of Industries No.SAI(232)/5203, dated the 18th December, 1947.

Resolution:- Sanction is accorded to the grant of a loan of 50,000/- to the Shevade's Camera Works Ltd., Belgaum, on the terms and conditions mentioned below:-

(1) the loan should be utilized for the purpose of (i) purchase of equipment (Rs.20,000 for the 1st year and Rs. 10,000 for the second year), (ii) Construction of building (Rs.10,000) and (iii) purchase of land (Rs.10,000).

(2) the loan should bear compound interest at the rate of 5½% per annum;

(3) there shall be one nominee of Government on the Board of Directors;

(4) the Company should not declare dividend without the approval of Government;

(5) the Company should give first charges to Government of all the property, assets, present and future, and a floating charge should be created on all the assets of the Company.

(6) the loan should be repaid within four years in annual instalments of Rs. 12,500/- plus interest due. The repayment should commence immediately after the last instalment of the loan is disbursed, if the loan is disbursed as and when the Company requires it.

2. The charge is debitable to the head "Loans and Advances by Provincial Government Class-V-Miscellaneous Loans and Advances - Loans for other small industries". Necessary source to meet the excess expenditure will be pointed out by the Finance Department in due course.

3. The Director should be requested to arrange in consultation with the Solicitor to Government for execution of the necessary mortgage deed with the Company before the loan is paid and forward to Government for record a copy of the document after it is executed.

By order of the Governor of Bombay,

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N.S.Pardasani,
Education Officer of Government.

To
the Director of Industries,
the Accountant General, Bombay (through the Finance Department),
the Solicitor to Government,
the Finance Department,
M/s. Shevades' Camera Works Ltd., (By letter).

MS/28-2.

No.2631 147 107

Legal Department,
Bombay Castle, 16th March 1948.

To

The Director of Industries,
Bombay.

Subject :- State-aid to Industries.
Loan of Rs. 50,000/ to Messrs.
Shevade's Camera Works Ltd.,
Belgaum.

Sir,

With reference to your letter No. S.A.I(232) dated the 6th instant on the subject noted above, I have the honour to forward herewith two copies of the draft Mortgage Deed.

2. The Mortgage Deed is chargeable with stamps of the value of Rs. 562-8-0 under Article 40(b) read with Art. 15 of the Schedule I to the Indian Stamp Act. It should be registered with the Registrar of Companies within 21 days of its execution as required by Sec. 108 of the Indian Compamies Act. It should also be registered under the Indian Registration Act, 1908 as it relates to immoveable property.

3. According to the latter part of condition 6 in the Government Resolution, the repayment of the loan is to commence immediately after the last instalment of the loan is disbursed, if the loan is disbursed as and when the Company requires it while the entire amount is to be repaid within 4 years. It seems desirable to provide that the repayment should commence within one year from the date of the Mortgage Deed whether the mortgagor takes the further advance of Rs. 10000/- I have to request you to fill in the dates at page 2 accordingly.

4. Before the Mortgage Deed is executed the borrowing powers of the company and the testimonium clause of the mortgage deed should be checked by a reference to the Memorandum & articles of Association of the Company. A copy of the resolution authorising the loan on the terms contained in the Govt. Res. and the execution of the Mortgage Deed should be obtained from the Company.

CC.16.3.

Your obedient servant,

Issued
VSP
16/3.

Offg. Solicitor to Government.

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Industries.
State-aid to small -
Grant of loan to Mr. D.B.Chavan.

Government of Bombay,
Education and Industries Department,
Resolution No.S.168,
Bombay Castle, 30th January,1948.

21 1 6/2

Letter from the Director of Industries-No.SAI(224)/2914, dated the 14th August,1947.

Memorandum from the Director of Industries No. SAI(224)/5219, dated the 22nd December,1947.

Resolution:- Sanction is accorded to the grant of a loan of Rs. 2,400/- to Mr. D.B.Chavan for the development of his chappal and shoe making industry on the terms and conditions mentioned below:-

(1) the loan should be utilised for purpose of purchasing a sewing machine and smallk tools required by him and for raw materials for the develàpmemt of his leather working industry.

(2) the loan should be granted to him (a) on his mortgaging to Government his house No.397, Khasbag (Belgaum) and (b) on the execution of the necessary surety bond by his surety Mr. L.P.Hosur, a grocery shop owner of Khasbag (Belgaum).

(3) the loan should be repaid within a period of seven years by eighty equal monthly instalments of Rs. 30/- each plus interest due.

(4) the loan should bear compound interest at the rate of 5½% per annum

(5) the charges on account of the stamp duty in connection with the necessary mortgage deed and the surety bond should be borne by him.

2. The charge is debitable to "Loans and Advances by Provincial Government Class -V-Miscellaneous Loans and Advances" and should be met from the provision made in the current year's budget under that head.

3. The Director of Industries should be requested to arrange in consultation with the Solicitor to Government for the execution of (i) the necessary mortgage deed by Mr. D.B.Chavan, and (ii) the surety bond by Mr. L.P.Hosur before the loan is paid and to forward to Government for record copies of documents after they are executed.

By order of the Governor of Bombay,

N. S. Pardasani,
Education Officer of Government.

To
The Director of Industries,
The Solicitor to Government,
The Accountant General,Bombay (through the Finance Department)
The Finance Department,
The Legal Department.

THIS MORTGAGE made at - - - - - - - - - the - - - - - day of - - - - - one thousand nine hundred and forty ~~seven~~ eight between - - - D - - - - B - - - - chavan - - - - - - - - -

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paid to the Mortgagors by the Mortgagee on or before the execution of these presents (the receipt whereof the Mortgagors doth/~~do~~ hereby admit and acknowledge and of and from the same doth/~~do~~ hereby release and discharge the Mortgagee) the Mortgagors doth/~~do~~ hereby covenant with the Mortgagee that the Mortgagors will repay to the Mortgagee the said sum of Rupees - 2405/- - - - - with interest thereon at the rate of 5¼ per cent. per annum within a period of - - 7 - years from this date by - ~~equity~~ equal monthly instalments of Rs. - 35/- - - each for principal the first of such instalments to be paid on the - - - - day of - - - - - - One thousand nine hundred and forty - - - - - and the subsequent instalments to be paid on the - - - - day of ~~monthly~~ of each subsequent month (~~No instalment being payable during the months of July, August and September~~) and that the Mortgagors shall in the meantime and so long as any part of the principal sum of Rupees - - - 2405/- - - - - - shall remain owing pay interest to the Mortgagee at the rate of 5¼ per cent. per annum on all moneys whatsoever for the time being due and owing on the said security and under these presents by monthly payments the first of which payments shall be made on the ~~day~~ of day of 194 and subsequent - - - ~~monthly~~ - - payments shall be made on the day of each subsequent month until the whole sum of Rupees - - 2405/- - is paid off PROVIDED ALWAYS that if any such interest shall remain unpaid for one month after the date on which the same ought to be paid then and in every such case the interest so in appears shall at the expiry of such month be capitalised and be added to the principal sum hereby secured and for the time being owing hereunder

and shall thence forth bear interest payable at the rate and on the days aforesaid and all the covenants and conditions contained in these presents and all the rules of law and equity in relation to interest shall equally apply to interest on such arrears PROVIDED FURTHER that the last preceding previso shall not permit the Mortgagors to allow any interest to fall into agrears.

[1. In pursuance of the said agreement and in consideration of the sum of Rs. (Rupees) paid to the Mortgagors by the mortgagee on or before the execution of those presents (the receipt whereof the Mortgagors doth/do hereby admit and acknowledge and of and from the same doth/do hereby release and discharge the Mortgagee) the Mortgagors doth/do hereby covenant with the Mortgagee that the Mortgagors will repay to the Mortgagee the said sum of Rs. within a period of year from this date by equal monthly instalments, each instalment of Rs. to be paid in the first week of each calender month provided that the Mortgagors shall not be required to pay the said monthly instalments during the months of June, July and August and that the first of such payment of Rs. shall be made in the first week of the month next to that in which these presents are executed and the after the Mortgagors has/have paid the said sum of Rs. in regular instalments as hereinbefore provided, the Mortgagors shall pay not later than one month from the date of the payment of the last instalment a further sum as interest calculated at 3½ per cent per annum on diminishing balances from the date on which the said sum or Rs. is paid to him/them until the date of the payment of such last instalment.]

[2. In further pursuance of the said agreement and for

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for the consideration aforesaid the Mortgagors doth/do hereby assign transfer and assure unto the Mortgagee all his/their undertakings and all his/their property and assets, present and future, the present assets are more particularly set out in the Schedule hereunder written including the with the said loan and which undertaking property, assets and are hereinafter for the sake of brevity called "the Mortgaged properties" And all the estate, right, interest claim and demand of the Mortgagors in to and upon the Mortgaged propertions TO HAVE AND TO HOLD the same unto the Mortagee absolutely ~~and~~ subject to the proviso for redemption hereinafter contained and subject to the right of Mortgagors to deal with the same in the ordinary courst of business but not ~~o~~otherwise.]

23. In further pursuance of the said agreement and for the consideration aforesaid the Mortgagors doth/~~do~~ hereby grant, convey, transfer and assure unto the Mortgagee all that piece or parcel of land or ground situate lying and being at Khotay (Belgaum) and more particularly described in the schedule hereunder written TOGETHER with all and singular the houses, out-houses, edifices, buildings, yards, wall-compounds, paths, water, water courses, ~~sewers~~, ~~ditches~~, drains, trees, plaints, lights, liberties, easements, profits, privileges, advantages, rights, mombers, appurtenances to the said land hereditaments and premises or in anywise appurtaining or with the same or any part thereof now or at any time heretofore usually held and occupied or enjoyed or reputed to belong to or be appurtenaht thereto. AND TOGETHER also with all the right title interest claim and demand whatsoever of he/~~they~~ the Mortgagors into and

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upon the said piece or parcel of land hereditaments and premises or any part thereof (hereinafter collectively referred to as "the Mortgaged properties") TO HAVE AND TO HOLD the same unto the use of the Mortgagee absolutely subject to the proviso for redemption hereinafter contained.

3 4. PROVIDED ALWAYS AND it is hereby agreed and declared that if the Mortgagor$ shall duly comply with the terms on which the said loan has been granted and shall duly repay the amount of the said loan of Rs. 2405/- together with interest thereon and shall pay all costs, charges and expenses of the Mortgagee of and incidental to this Mortgage, the Mortgagee shall upon the request and at the costs, charges and expenses of the Mortgagor$ reassign and retransfer the mortgaged properties unto the Mortgagor$ or as ~~they~~ he may direct/—— and in the meantime and until default be made by the mortgagor$ in payment of the said principal sum or any instalment thereof or interest thereon or any part thereof the Mortgagor$ shall remain in the possession or receipt of the rents and profits of said land hereditaments and premises.

4 5. The said principal sum of Rs. 2405/- of any balance thereof and all other moneys due for the time being under these presents shall become immediately payable and the security hereby constituted shall become enforceable forthwith in each and every of the following events :-

(a) If the Mortgagor$ shall fail to pay any instalment of principal on the respective due dates in the manner aforesaid/ ~~as and when it may become duly and payable~~.

(b) If the Mortgagor$ shall make default in payment of any instalment of interest on the reppective due dates

as herebefore provided.

(c) If a distress or execution shall be levied or enforced upon any part of the Mortgaged properties or a Receiver thereof be appointed.

(d) If the Mortgagor$ shall commit breach of any one of the convenants or provisions herein contained and on his/~~their~~ part to be observed and performed.

(e) If the Mortgagor$ shall cease to carry on business for any reason whatsoever.

(f) If the Mortgagor$ ~~or either or them are or~~ is adjudicated insolvent.

5$. As soon as the principal moneys or the balance thereof shall become payable and the security enforceable under the last preceding clause the Mortgagee shall be entitled (without being bound to do so) to take possession of the mortgaged properties and to realise the same and quietly to hold and enjoy the same and receive the income and profits thereof without any interruption or disturbance by the Mortgagor$ or any other person whatsoever claiming under the Mortgagor$.

6$. If default shall be made in repayment of the Mortgage money or any part thereof on the days and in the manner aforesaid or if the security hereby constituted becomes enforceable in each and any of the events mentioned in clause 4 hereof the Mortgagee shall be entitled and shall have full power to sell without the intervention of the Court all or any of the Mortgaged properties either by public auction or by private contract and either for a lump sum or for a sum payable by instalments and may make such sale upon such terms and conditions including any special or other

stipulations as to title ~~evidence or other wise as the~~ Mortgagee ~~shall deem~~ proper and the Mortgagee shall have full power to buy in or rescind or vary any contract for sale of all the Mortgaged properties or any part thereof and to resell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purpose aforesaid the receipt of the Mortgagee for the purchase money of the properties sold and for any other moneys paid to the Mortgagee shall effectually discharge the purchaser or other person or persons paying the same therefrom or from being concerned to see the application or being answerable for loss or misapplication thereof AND IT IS HEREBY AGREED AND DECLARED that the provisions and trusts ancillary to the power of sale which are contained in section 69 of the Transfer of Property Act, 1882, shall apply to this security.

18. AND IT IS HEREBY AGREED AND DECLARED that whenever any instalment of principal or interest shall be in arrear the same may be recoverable from the Mortgagors in the same manner as an arrear of land revenue under the provisions of the Bombay Land Revenue Code, 1879, and any amendments thereof: Provided Always that this clause shall not affect other rights powers and remedies of the Mortgagee.

19. The Mortgagors ~~do~~ doth hereby covenant with the Mortgagee as follows:-

(a) That the Mortgagors has/~~have~~ now good right and full power to grant convey and transfer the said mortgaged properties hereinbefore expressed to be hereby granted conveyed and transferred as aforesaid free from all claim liens and incumbrances and that the Mortgagors and every other person having or claiming any estate or interest in the said mortgaged properties or any part thereof will at all times at the costs until the sale thereof of the Mortgagors and afterwards of the person or persons requiring the same execute and do all such assurances and acts for further and more effectually assuring

the said mortgaged properties or any part thereof to the Mortgagee or to such other person or persons as he may direct, as shall be reasonably required;

(b) that the moneys secured by these presents shall be a first charge on the said mortgaged properties and shall take precedence over all other moneys now due or which may here inafter be borrowed by the Mortgagors;

(c) that the Mortgagors will so long as any of the principal moneys or any interest secured by these presents shall remain unpaid and the Mortgagee shall not have taken possession of the mortgaged properties carry on and conduct the business of the mortgagors in a proper and efficient manner and for that purpose;

(i) will maintain and keep in a good and substantial state of repairs and condition the said mortgaged properties expressed to be hereby assured;

(ii) will keep the said mortgaged properties insured against loss or damage by fire and riots and civil comotion to its full insurable value with some insurance office to be approved by the Director of ~~Fisheries~~ Industries and will make all payments required for the purpose as and when the same become due and payable and will on demand produce to the Director of ~~Fisheries~~ Industries the policy or policies of the insurance and the receipt or receipts for such payment and will apply all moneys received by the Mortgagors under any such insurance in making good any such loss or damage;

(iii) will duly and punctually pay perform and observe all rents rates, taxes, assessments, outgoings, covenants and obligations which are to bepaid observed or performed by the Mortgagors in respect of the said mortgaged properties or otherwise howsoever;

(d) that the Mortgagor$ will permit the Mortgagee or any person or persons authorised by him at any time and from time to time during the usual time of business so long as any money shall remain due or owing upon the security of these presents to inspect and examine any part of the Mortgaged properties and render them or any such assistance as may be required for any of the purposes aforesaid and will furnish to the Mortgagee or to such person or persons as he shall from time to time appoint for the purpose all such information relating to the business or affairs of the Mortgagor$ or the Mortgaged properties or any part thereof as he or they shall require;

(e) that the Mortgagor$ shall utilise the amount of the said loan for the development of his chappal and shoe making industry

In witness whereof, the Mortgagor$ has/~~have~~ set ~~x~~ his/~~their respective~~ hand$ hereto the day and year first above written.

~~THE FIRST SCHEDULE ABOVE REFERRED TO~~.

~~THE SECOND~~ SCHEDULE ABOVE REFERRED TO.

ALL THAT piece or parcel of land or ground of the quit and Ground Rent Tenure with the measuage tenement or deweeling house standing thereon situate, lying and being

- - - - at Chestang (Belgaum)

in the Registration Sub-District of . containing by admeasurement square feet or thereabouts, and bounded as follows that it to say -

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on or towards the East by
on or towards the West by
on or towards the North by
on or towards the South by

Signed and Delivered by the
above named Mortgagors
D. - B - Chavan.

1.
2.
3.

in the presence of

1.

2.

Received of and from the Governor of Bombay the sum of Rupees २५७. being the amount of the Government Loan expressed above to have been paid by the Governor of Bombay, to the Mortgagors abovenamed. } Rs. २५७-

1.

2.

I/We say received

Mortgagors.

Kc. 11.6.

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SURETY BOND.

I, L P Hosur of Khasbag (Belgaum) Hindu Inhabitant, hereby declare myself a Surety for the abovenamed Mortgagor and give the guarantee that he shall do and perform all that he has undertaken to do and perform under the aforesaid Deed of Mortgage and in case of his making default therein, I hereby bind myself to pay to the Governor of Bombay, hereinafter called "Government" the sum of Rs. ~~2400~~ 1000/- or such other lesser sum as shall be deemed to be sufficient by the Director of Industries to cover any loss or damage which Government may sustain by reason of such default. And I agree that Government may, without prejudice to any other rights or remedies of Government, recover from me the said sum as an arrear of land revenue, under the provisions of the Bombay land Revenue Code, 1879. And I agree that any extension of time given to the mortgagor or any variation of the terms of the said deed of mortgage will not discharge me from my liability to pay the said amount.

Dated this the day of 1948.

Signed by the Abovenamed surety

L P Hosur

in the presence of

1.

2.

No. 1879 133
Legal Department,
Bombay Castle, 25th February 1948.

To

The Director of Industries,
Bombay.

Subject :- State Aid to Industries
Loan of Rs. 2400/- to
Mr.D.B. Chavan.

Sir,

With reference to your letter No.SAI(224)/414 dated the 13th February 1948 on the subject noted above, I have the honour to forward herewith two copies each of the draft Mortgage Deed and the draft surety bond.

The Mortgage Deed is chargeable with a stamp duty of 27-0-0 under Article 40(b) read with Article 15 of the Schedule I to the Indian Stamp Act. It should be registered.

It is presumed that Mr. Chavan has already produced an extract from the City Survey Register in support of his title to house No. 317 Khasbag.

Your obedient servant,

RDN 24/2

Offg. Solicitor to Government.

Issued CSP 25/2

CC.23.2.

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